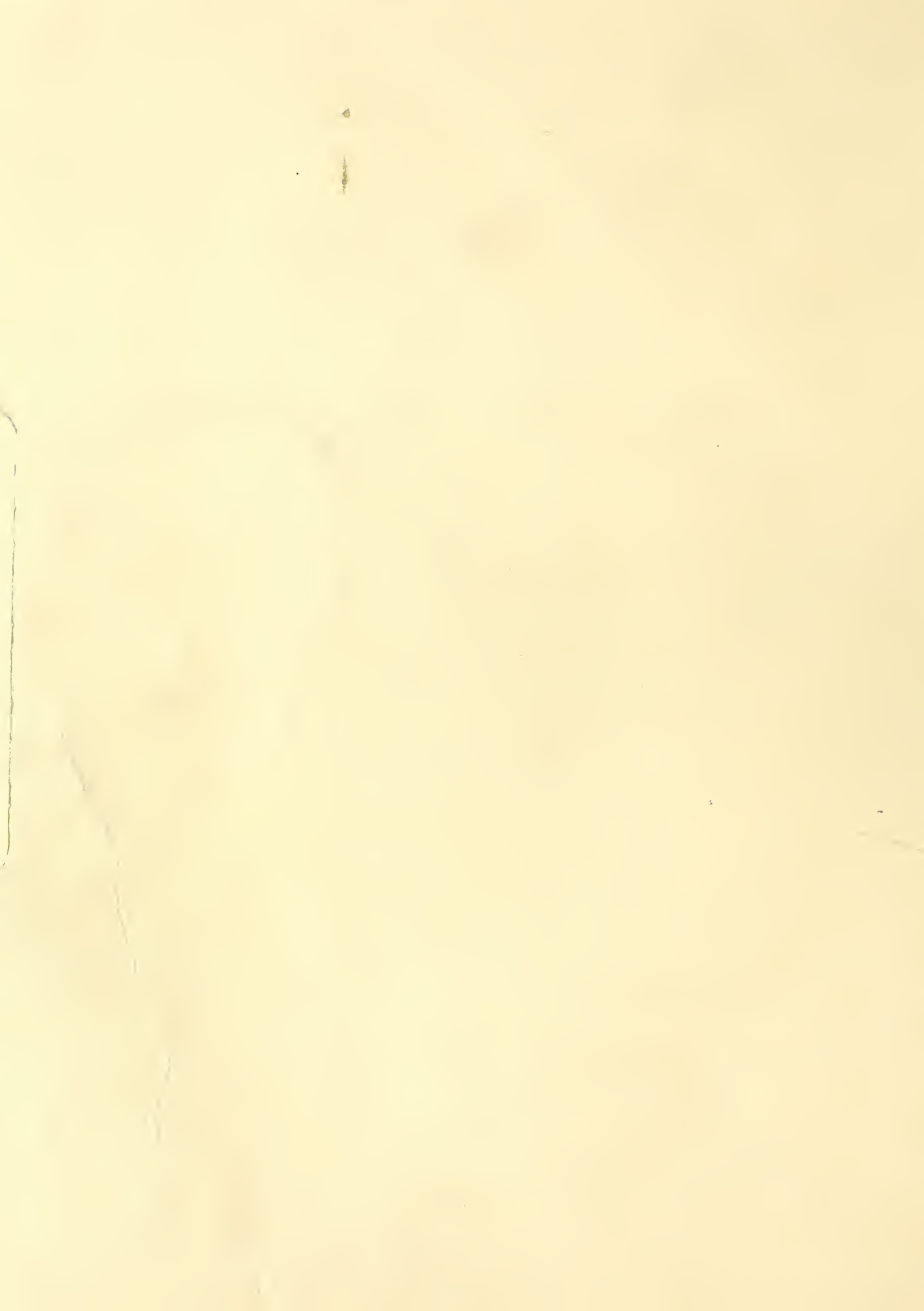


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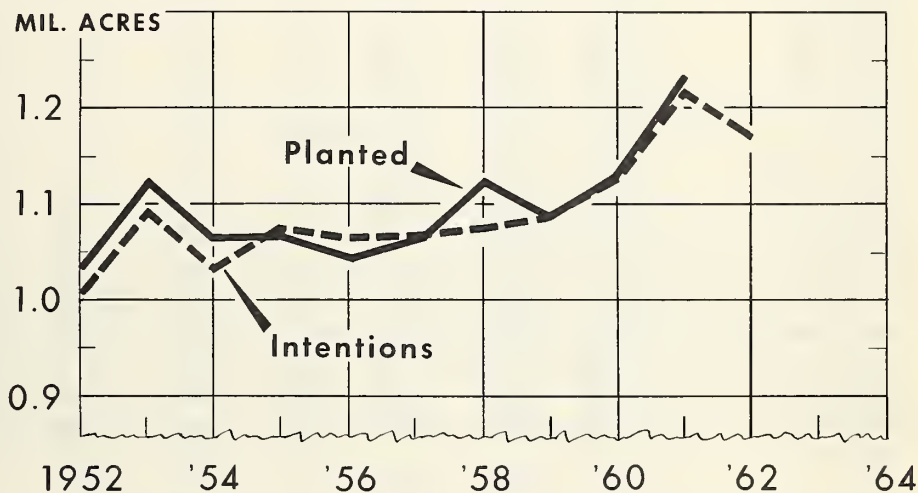
APRIL 1962

In recent years, potato growers in the late summer and fall States have tended to plant close to the acreage indicated in USDA March 1 intentions reports. The reports this year indicate 5 percent less acreage than last year.

Despite the reduction in prospective plantings, near average yields on the intended acreage likely would result in a surplus of potatoes and relatively low prices to growers. To avoid the probability of burdensome supplies, the Department of Agriculture recommends that growers plant 6 percent less acreage to late summer potatoes than last year, and 14 percent less acreage to the fall crop.

POTATOES: MARCH 1 INTENTIONS COMPARED WITH PLANTINGS

Late Summer and Fall Crops



U. S. DEPARTMENT OF AGRICULTURE

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IN THIS ISSUE

The Potato Price and Income Problem

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Table 1.--Vegetables and melons for fresh market: Reported commercial acreage and production of principal crops, selected seasons, average 1951-60, 1961 and indicated 1962 ^{1/}

Seasonal group and crop	Acreage					Production				
	Average: 1951-60	1961	Indi- cated	1962		Average: 1951-60	1961	1962		
				Percent- age of average	Percent- age of 1961			Indi- cated	Percent- age of average	Percent- age of 1961
	Acres	Acres	Acres	Pct.	Pct.	1,000 cwt.	1,000 cwt.	1,000 cwt.	Pct.	Pct.
Winter ^{2/}	248,670	249,050	232,830	94	93	31,743	34,832	30,456	96	87
Spring:										
Asparagus										
early and mid ^{2/}	87,320	83,300	83,700	96	100	2,120	2,451	2,166	102	88
late ^{2/}	60,240	63,650	62,700	104	98	1,269	1,232	n.a.	---	---
Beans, lima	4,360	3,400	3,300	76	97	98	85	n.a.	---	---
Beans, snap										
early and mid ^{3/}	33,070	27,200	25,900	78	95	549	510	422	77	83
Beets	780	450	550	71	122	80	47	51	64	109
Broccoli ^{2/ 5/}	11,920	14,200	11,800	99	83	769	951	767	100	81
Cabbage										
early ^{2/}	16,810	13,150	11,400	68	87	2,116	1,748	1,663	79	95
late ^{2/}	8,810	7,200	7,500	85	104	1,157	988	n.a.	---	---
Cantaloups	39,320	28,100	31,800	81	113	4,003	3,249	n.a.	---	---
Carrots ^{4/}	4,030	2,200	2,100	52	95	786	451	483	61	107
Cauliflower ^{5/}	7,120	8,200	7,200	101	88	625	738	612	98	83
Celery	7,030	6,700	6,200	88	93	3,566	3,448	2,938	82	85
Corn, sweet ^{5/}	34,580	32,800	40,000	116	122	2,347	2,494	2,720	116	109
Cucumbers ^{5/}	11,330	10,300	9,200	81	89	960	1,007	701	73	70
Eggplant	1,170	1,100	1,000	85	91	134	154	135	101	88
Lettuce ^{5/}	46,610	40,340	33,050	71	82	6,270	7,525	5,289	84	70
Onions ^{2/}										
early	33,670	19,500	22,000	65	113	2,460	2,535	2,090	85	82
late	13,880	7,350	8,350	60	114	2,135	1,658	n.a.	---	---
Peas, green ^{5/}	4,730	3,300	2,200	47	67	163	155	88	54	57
Peppers, green	8,170	7,700	6,400	78	83	555	691	503	91	73
Shallots	2,080	500	400	19	80	57	12	11	19	92
Spinach	8,690	6,570	5,750	66	88	540	394	371	69	94
Tomatoes ^{5/}	51,630	29,400	24,500	47	83	3,829	3,914	2,621	68	67
Watermelons										
late	91,700	71,700	75,300	82	105	8,296	9,331	n.a.	---	---
Summer: ^{6/}										
Cabbage										
early ^{2/}	8,220	7,680	7,740	94	101	1,470	1,565	n.a.	---	---
late ^{2/}	20,320	17,550	17,700	87	101	3,748	3,453	n.a.	---	---
Garlic	2,570	3,600	2,700	105	75	208	288	n.a.	---	---
Onions										
early	8,500	8,590	8,730	103	102	1,686	2,091	n.a.	---	---
late	57,590	54,770	57,990	101	106	17,070	17,187	n.a.	---	---
Watermelons										
early	267,960	208,100	203,200	76	98	18,348	15,626	n.a.	---	---
late	26,410	33,800	33,100	125	98	3,047	4,058	n.a.	---	---

^{1/} Exclude Alaska and Hawaii, which are not divided into seasonal groups.^{2/} Includes processing.^{3/} Production for early spring only.^{4/} Arizona winter carrots included with spring season.^{5/} Acreage and production for early spring only.^{6/} 1962 prospective acreage.

n.a. - not available.

Vegetables-Fresh Market, SRS, USDA, issued monthly.

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T H E V E G E T A B L E S I T U A T I O N
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Approved by the Outlook and Situation Board, April 25, 1962

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SUMMARY

Early production estimates point to substantially smaller supplies of fresh market vegetables this spring than either last spring or the 1951-60 average. Low temperatures in late winter retarded growth of spring vegetables in Arizona, California, and Texas, while high winds and freezing temperatures caused some loss and considerable damage to Florida crops. Late plantings and delayed growth may result in more than the usual overlap of late spring harvest in some areas. But with materially lighter overall supplies available, prices of fresh vegetables during the next 4 to 6 weeks are expected to average substantially above those of a year earlier.

More processed vegetables are available for distribution into mid-1962 than a year ago. Holdings of frozen vegetables are substantially larger than in 1961, with most major items in heavy supply. Remaining stocks of canned vegetables also are moderately to substantially larger than a year ago. Except for green peas, which are in a tight stocks position, supplies of most other major canned items are ample to heavy.

Early intentions reports indicate that canners are planning about the same to slightly smaller packs of a number of important items, but are aiming for a larger total pack of tomatoes and tomato products. Intended acreage, for processing, with near average yields and expected carryover would result in a little larger overall supply of canned vegetables in the 1962-63 season than in the current season, and at least as large a supply of vegetables.

Because of heavier remaining stocks from the fall crop, supplies of potatoes into mid-spring are expected to remain above those of a year ago. But with late spring acreage down 17 percent, supplies available in late spring are expected to be materially smaller than the heavy supplies of a year earlier. Should the intended production materialize, prices for the late spring crop probably will average above the low levels of last spring.

Intended plantings of late summer and fall potatoes are down 5 percent from last year. However, such acreage, with yields near those of recent years, would result in a moderate to substantial surplus of potatoes and another season of relatively low prices to growers.

Intentions reports indicate that sweetpotato growers plan 3 percent more acreage than last year.

Dry edible beans are in relatively heavy supply, with both colored and white classes in larger supply than a year ago. Farmers in early March reported intentions to plant a slightly larger acreage of dry edible beans than last year. Such an acreage, with near average yields and expected carryover, would result in continued heavy supplies of beans in the coming season.

The National average support price for 1962-crop dry beans is \$6.32 per hundredweight, U. S. No. 1, cleaned and bagged, the same as for the 1961 crop. Because of shifts in production among the various classes, however, support levels are 12 cents higher than in 1961 for all classes except pintos, and medium white and pea beans.

Farmers plan to plant about the same acreage of dry peas as last year. However, near average yields on the intended acreage would result in a crop about 10 percent larger than the 1961 crop, and substantially above the recent 10-year average.

COMMERCIAL VEGETABLES FOR FRESH MARKET

Substantially smaller supplies of fresh market vegetables are in prospect this spring than last. Early April estimates for crops which make up about three-fourths of total spring tonnage, excluding melons, indicated nearly a fifth less production than last year. Indicated supplies also are materially below the 1951-60 average. Cool weather in March retarded growth of vegetables in California, Arizona and Texas. In Florida, high winds and freezing temperatures in early March caused considerable damage, particularly to sweet corn and snap beans in the Everglades area. But in other areas, watermelons, cucumbers, and tomatoes suffered to a lesser degree. Many of the damaged crops were replanted. Warmer weather and much needed rain during the latter part of the month resulted in rapid improvement in crop conditions.

Among the more important spring vegetable crops, substantially less production than last spring is indicated for early spring asparagus, snap beans,

broccoli, cauliflower, cucumbers, lettuce, onions, and tomatoes, and moderately less for early spring cabbage. Supplies of spring celery and green peppers also promise to be substantially smaller than a year ago, and spinach moderately smaller. Materially larger production is indicated for early spring sweet corn and for spring carrots. With lighter supplies than a year ago expected for most spring vegetables, prices to growers for the next 4 to 6 weeks probably will average materially above those of a year earlier.

Although production estimates are not yet available, indicated acreages of late spring onions and spring cantaloups are materially larger than a year earlier, and those of late spring cabbage and watermelons moderately larger. Indicated acreages of mid-spring snap beans, late spring asparagus, and spring lima beans are slightly smaller than last spring. Early reports indicate that growers intend to plant larger acreages of early summer and late summer cabbage and onions, but slightly smaller acreages of early summer and late summer watermelons.

Prospects for Major Items

Cabbage--Materially less cabbage was available this winter than last as a result of freezes and cold damage in important producing areas. Heaviest losses were in the lower Rio Grande Valley of Texas. Lesser damage occurred in Florida, California, and Arizona. As a result of light supplies, prices of winter cabbage have averaged materially above those of last winter.

Indications are that supplies of cabbage will continue light during the next 4 to 6 weeks. Prospective production of early spring cabbage, which typically makes up about two-thirds of the total spring tonnage, is 5 percent below the small crop of last year, and a fifth below the recent 10-year average. All of the decrease in production is a result of acreage cuts in the East and Louisiana. Prospective production is up slightly in California. Acreage of late spring cabbage is up moderately from last year. But yields may be slightly to moderately lower than those of last spring. With smaller supplies of cabbage and other fresh vegetables in prospect, prices of cabbage through May are expected to remain relatively high--and much above the low levels of a year earlier.

Intentions reports indicate that growers plan to plant about the same acreage to both early summer and late summer cabbage as in 1961. However, yields for the early summer crop may be below last year. Yields near the 1956-60 average and normal abandonment on the intended acreage, would result in a slightly smaller early summer crop than last year, and a slightly larger late summer crop. Because of expected larger carryover stocks of sauerkraut, open market purchases of the crop by kraut packers may be smaller than last year.

Celery--Supplies of celery during the winter of 1962 were substantially smaller than a year earlier, owing to moderately smaller acreage and yields. Prices to growers averaged materially higher than during the winter of 1961.

Early April reports point to continued light supplies of celery this spring. Indicated production for spring harvest is down 15 percent from last year, and 18 percent below average. Prospective output in Florida is only slightly smaller than a year ago, as increased acreage largely offset lower average yields. But indicated production in California is down a fourth, largely as a result of a sharp cut in acreage. With smaller supplies of celery available, prices to growers during the next 4 to 6 weeks are expected to average significantly above those of a year earlier.

Sweet Corn--Sweet corn is one of the few fresh vegetables expected to be in larger supply this spring than last. Production for early spring harvest is estimated at 2.7 million hundredweight, 9 percent larger than a year ago. The expected increase in production is due to materially larger acreage in both Florida and Texas. Marketings in early April were much larger than those of a year earlier, and f.o.b. prices substantially lower. Marketings are expected to increase seasonally during the next 4 to 6 weeks. With smaller supplies of most other fresh items, growers should experience little difficulty in marketing the larger supplies.

Lettuce--Production of winter lettuce was materially below the large output of last year, and slightly below average. Freezing weather in January caused considerable damage to the lettuce crops in California and Texas. With smaller supplies available, prices in late winter were more than double those of last winter.

Supplies of lettuce during the next 4 to 6 weeks are likely to continue substantially below those of a year ago, and prices probably will average higher. Estimated early spring tonnage, which typically makes up about four-fifths of the total spring production, is placed at 5.3 million hundredweight, compared with 7.5 million hundredweight a year earlier. The reduction is due to smaller acreage and lower yields in California, Arizona and New Mexico, which together produce virtually all of the tonnage.

Tomatoes--Both acreage and production of winter tomatoes for fresh market were down sharply from the exceptionally large crop of a year ago, but still well above average. Smaller domestic supplies and considerably higher prices have resulted in materially larger imports of fresh tomatoes this winter than last. Production of the early spring tomato crop, which usually makes up four-fifths of the total spring tonnage, is expected to be about a third smaller than both last year and the 1951-60 average. The drop in production from last year is due to substantially smaller acreages and materially lower yields in Texas and California, and sharply lower yields in Florida. Crops in each of the States were damaged by freezing weather. Replanting in Texas has caused much of the crop to be later than usual. Strong winds and dry weather in March caused some damage to young tomatoes in Florida and delayed maturity. Tomatoes available for marketing during the next 4 to 6 weeks will be substantially smaller than last year, and prices are expected to continue well above those of a year earlier.

Onions--The early spring onion crop in Texas is almost a fifth smaller than last year, and substantially below average. Although acreage is 13 percent larger,

yields are down sharply from last year in all areas except Eagle Pass. Freeze damage to early plantings in the Rio Grande Valley and Laredo, and drought in the Coastal Bend Area were largely responsible for the lower yields.

Although production estimates for the late spring crop are not yet available, indications point to substantially more onions than the small crop of last year. With the exception of Georgia, all other States producing late spring onions report moderately to substantially larger acreages than in 1961. Remaining supplies of dry onions from the 1961 crop are light, and movement of early spring onions from Texas is down from that of a year ago. Prices of onions for the next 4 to 5 weeks are expected to average well above those of a year earlier.

Early intentions reports indicate a slightly larger acreage of onions for early summer harvest than last year, and a moderately larger acreage in late summer. Yields by States near the average of recent years, and normal abandonment on the intended acreage would result in a little smaller early summer crop than last year, but a moderately to substantially larger late summer crop. A late summer crop this large probably would result in relatively low prices to growers.

Cantaloups--Acreage of cantaloups for spring harvest is 13 percent larger than a year earlier. However, acreage of this crop has trended downward in recent years, and indicated plantings still are materially below the recent 10-year average. Substantially more acreage than last year is indicated in Texas, Arizona, and California. Florida reports a 12 percent cut. In general, the spring cantaloup crop is in good condition after plant growth had been delayed by cool weather in Arizona and California, and wind damage in South Florida. Should yields be near the 1958-61 average, production on the intended acreage would result in a crop materially larger than the small crop of last spring, but well below average. If indicated production materializes, prices to growers probably will average moderately below those of last year. However, market conditions and prices for the spring crop will be affected, to some extent, by the size and timing of the early summer crop, and by availability of supplies for import from Mexico. So far this season, imports have been below a year ago, and prices have averaged materially higher. Although the Mexican crop is later than the early crop of last year, recent reports indicate larger tonnage than in 1961. The melons are reported to be of excellent quality.

Watermelons--Moderately to substantially fewer watermelons probably will be available this spring than last. Late spring acreage in Florida, which typically produces four-fifths of the total spring tonnage, is up 5 percent, and acreage in California is up 9 percent. Should yields in California be near the average yield of last season, production in the State would be materially larger than last spring. But yields in Florida are expected to be substantially below the record high of last year, and production is likely to be down at least moderately. Mid-March winds and cold weather in Central Florida caused some loss of plants and light replanting was necessary.

Supplies of Mexican watermelons available for import are expected to be about as large as a year ago. The Mexican melons are reported to be of excellent quality, but the season is running 2 to 3 weeks later than the early crop of last year. The lateness of the Mexican crop and some delay in development of U. S. crops may cause a bunching of supplies in late spring.

Prospective acreage of the important early summer crop is down slightly from a year ago, and materially below average. Acreage increases in South Carolina, Georgia, and California are more than offset by a sharp reduction in Texas and moderate cuts in other States. Yields near the 1957-61 average, on the intended acreage, would result in the same to slightly less tonnage than in 1961. Prospective acreage for late summer harvest also is slightly smaller than a year ago. Should growing conditions be near the average of recent years, production from the intended acreage, would be near that of last summer, and about in line with expected demand.

PROCESSED VEGETABLES

Supplies of canned vegetables available for marketing during the 1961-62 season were moderately larger than a year earlier, and substantially larger than the recent 10-year average. The increase over the previous season resulted from a materially larger pack, as beginning stocks were moderately smaller. Aggregate movement of canned items in the first half of the current season was moderately larger than a year earlier. Recent trade reports indicate that movement in the period January-March continued above that of last season. Some canned items benefited from reduced winter supplies of fresh vegetables. Trade reports indicate some slowdown in movement of canned vegetables since early March. Many buyers are purchasing for immediate needs only, while waiting for new crop developments.

Despite a larger movement of canned vegetables so far this season than during the same period a year earlier, remaining stocks probably are moderately to substantially larger than both a year earlier and average. Recent trade reports indicate substantially smaller remaining stocks of carrots, green peas, and spinach than a year ago. Stocks of pumpkin and squash, and tomato juice also appear to be slightly to moderately smaller. However, these decreases are more than offset by materially larger stocks of snap beans, lima beans, beets, sweet corn, sauerkraut, and tomatoes.

Overall supplies of frozen vegetables in the current season have been record large. Demand has been strong, and indications are that rate of movement into consumption has been above that of last season. During the past few months, a number of frozen items have benefited from reduced supplies of fresh vegetables. Net outmovement of the frozen items in the January-March period appears to have been substantially larger than that of a year earlier. Nevertheless, supplies of most frozen items remain heavy. Total stocks in cold storage on April 1, excluding potatoes, amounted to 725 million pounds, 17 percent above a year ago.

Except for broccoli, carrots, cauliflower, and spinach, which are moderately to substantially below a year earlier, stocks of most other frozen items are

considerably larger. Stocks of asparagus, snap beans, lima beans, corn, mixed vegetables, and mixed peas and carrots are substantially larger than those of a year earlier. Although much larger than the low level of last year, stocks of green peas are near the recent 5-year average and moderate in relation to demand. Holdings of french fried potatoes on April 1, at 251 million pounds, were about a fifth larger than last April.

During the remaining months of the current season, demand for both canned and frozen vegetables is expected to continue strong. Demand for processed products, particularly frozen items, is expected to be stimulated by lighter supplies of fresh vegetables; indicated spring production of fresh vegetables is down almost a fifth. Despite the expected larger demand, supplies of many processed items remain heavy, and overall prices are expected to continue close to year-earlier levels. Aggregate carryover stocks of canned items at the end of the season are expected to be at least moderately larger than those of a year earlier, and frozen substantially larger.

Early intentions reports on 7 principal vegetable crops for processing indicate that processors plan to plant or contract substantially the same total acreage of these crops this year as last (table 2). With the exception of tomatoes, however, prospective acreage of all of the crops are a little smaller than a year earlier. Acreage and production of winter spinach both were materially smaller than a year ago. Indicated acreages of lima beans and green peas are down about 1 percent; snap beans and sweet corn, down 2 percent; and cabbage for kraut, down 5 percent. But intended acreage of tomatoes for processing is up 9 percent. Processors may modify these plans as the season progresses. However, should the intended acreage materialize, and yields be near the average of recent years, both the frozen and canned packs of these items, except tomatoes, would be the same or smaller than last year. The pack of tomatoes and tomato products would be moderately to substantially larger. Because of expected heavier carryover stocks, however, overall supplies of frozen vegetables probably would be at least as large as in the 1961-62 season, and supplies of canned a little larger.

Prospects for Major Items

Snap Beans--Supplies of both canned and frozen snap beans were materially larger this season than last. Demand has been good and disappearance of canned beans so far this season has been moderately to materially above the high levels of last season, while disappearance of frozen probably has been about the same. F.o.b. prices of most canned and frozen bean items have averaged slightly to moderately below the levels of last season. Recent trade reports indicate stocks of snap beans are materially larger than a year earlier despite a heavy movement to date. Frozen holdings also were substantially larger -- 94 million pounds on April 1, 1962 compared with 64 million in April 1961.

Intentions reports in early April indicate that processors plan to plant or contract 2 percent less acreage of snap beans this year than last. Acreage for freezing is expected to be 6 percent smaller, with most of the decrease in Florida. Prospective acreage for canning is 1 percent less than a year

Table 2.--Vegetables for commercial processing: Prospective plantings

Crop	Planted acreage			1962 as per-	
				centage of	
	Average 1951-60 <u>1/</u>	1961	Prospective 1962	Average 1951-60 <u>1/</u>	1961
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Percent</u>	<u>Percent</u>
Beans, green lima					
Freezing	65,030	70,220	69,700	107	99
Canning	36,200	35,290	35,380	98	100
Beans, snap					
Freezing	36,930	49,410	46,570	126	94
Canning	123,350	144,010	142,990	116	99
Beets for canning	17,980	17,420	17,870	99	103
Cabbage for kraut, contract only	8,780	9,090	8,650	99	95
Corn, sweet					
Freezing	66,880	87,400	82,330	123	94
Canning	389,160	377,920	375,070	96	99
Cucumbers for pickles	135,220	114,280	111,490	82	98
Peas, green					
Freezing	129,770	166,390	160,250	123	96
Canning	311,980	254,560	257,780	83	101
Spinach, winter <u>2/</u>	9,740	9,700	8,200	84	85
Tomatoes	333,350	304,750	330,850	99	109
Total 9 crops <u>1/</u> <u>3/</u>	1,664,370	1,640,440	1,647,130	99	100

1/ Except lima beans for freezing and canning 1952-60 average; snap beans 1954-60 average; and sweet corn 1953-60 average.

2/ California reclassified from early spring to winter.

3/ Does not include open market cabbage for kraut nor spring and fall spinach.

Vegetables - Processing, SRS, USDA, issued monthly.

earlier. Moderate increases in the Central and Western States were a little more than offset by a 7 percent reduction in the East. Should these acreages materialize, yields near the average of recent years would result in close to the same frozen pack as a year earlier, but a materially smaller canned pack. Such packs, together with estimated carryover, would result in about the same supply of canned beans as in the current season, and moderately more frozen beans.

Sweet Corn--Substantially more canned and frozen sweet corn has been available this season than last. Prices have averaged substantially below the levels of a year earlier, and movement of both canned and frozen so far this season has been larger than in the previous season. Despite the larger disappearance,

remaining supplies are materially above those of a year ago. Both canners' stocks on April 1, at 16.4 million cases, 24/303 equivalents, and frozen stocks, at 91 million pounds, were 47 percent larger than a year earlier. Prices for both canned and frozen corn for the rest of the season probably will continue below those of a year earlier.

April intentions reports point to 2 percent less sweet corn acreage for processing this year than last. Intended acreage for canning is close to that of last year in all major producing regions. But a 9 percent cut in acreage for freezing in the Western States and a 5 percent cut in the Central States result in an overall reduction of 6 percent in acreage for freezing. Yields near the 1959-61 average, on the intended acreage would result in moderately to substantially less tonnage for both canning and freezing. Should this production materialize, supplies of canned corn in the coming season would be moderately smaller than those of the current season, and supplies of frozen about the same as this season.

Green Peas--Supplies of canned green peas have been slightly smaller than the low level of last year, and materially smaller than the recent 10-year average. Movement so far this season has been a little larger than a year earlier, resulting in a light stocks position. Canners' stocks on March 1, of 9.6 million cases, 24/303 equivalents, were about a million cases below last year. Trade reports indicate that many items in the canned pea line are not available.

Supplies of frozen peas this season, while substantially above those of last season, were near average. Demand for frozen peas has been good and movement so far this season has been materially larger than a year earlier. Stocks on April 1 were 121 million pounds, up sharply from the 92 million pounds of a year earlier. Until new pack items become available, prices for remaining supplies of canned peas probably will remain the same to slightly above those of a year earlier, but frozen peas are likely to continue lower.

March 1 reports indicate that processors intend to plant a total of 418,030 acres of green peas for canning and freezing this season. This is 1 percent less than last season and 5 percent less than the recent 10-year average. Prospective acreage for freezing, which makes up about 38 percent of the total, is down 4 percent from 1961, while indicated acreage for canning is up 1 percent. Near average yields and abandonment on the intended acreage, would result in about the same tonnage of green peas for both canning and freezing as in 1961. Under these conditions, supplies of canned peas in the coming season would be close to those of the current season. Because of expected larger carryover stocks at the beginning of next season compared with this season, supplies of frozen peas probably would be slightly to moderately larger.

Tomatoes--A tenth more canned tomatoes were available this season than last and moderately more catsup and chili sauce, but moderately less tomato juice. So far this season, movement of tomatoes and catsup and chili sauce appear to be larger than a year earlier. But movement of tomato juice seems to be smaller this year than last, reflecting smaller supplies. Remaining supplies of tomatoes and catsup and chili sauce appear to be larger than a year earlier, but those of tomato juice likely are smaller. Except for fancy catsup in No. 10 tins, prices of most tomato items in early April averaged about the same to slightly lower than a year earlier.

March 1 intentions reports indicate processors plan 9 percent more acreage of tomatoes for processing this season than last. Intended acreage in California, which accounts for over half of the national total, is up about a fifth. Prospective acreage is the same to smaller than a year earlier in New York, New Jersey, Illinois, Virginia, Florida and Texas, but larger in other important producing States. Near average yields on the intended acreage would result in tonnage for processing moderately larger than last year. Such production with expected carryover and a normal distribution of the pack among various items, probably would result in slightly to moderately larger overall supplies of tomatoes and tomato products in the 1962-63 season than were available in the current season.

Sauerkraut--Supplies of sauerkraut this season were materially larger than the low level of last year but only slightly larger than the 1950-59 average. Despite significantly heavier movement during the first part of the season, remaining supplies are moderately larger than those of a year ago. Prices in early April were materially below the levels of the last couple of years, when markets reflected shorter supplies. Although a continued high rate of movement is likely into summer, carryover stocks at the end of the current season are expected to be somewhat above both last year and average.

April 1 intentions reports indicate that processors plan to plant or contract 5 percent less acres of cabbage for kraut than last year. If the intended acreage is planted and yields are near the average of recent years, production on contracted acreage would be moderately smaller than in 1961. In addition to contract tonnage, sauerkraut packers typically purchase about 40 percent of their requirements from open market supplies. However, these purchases vary with the supply-demand situation for sauerkraut, and the supply and price of open market cabbage. Unless supplies of open market cabbage are again heavy and prices low, as they were last year, packers may put up a slightly to moderately smaller total pack of kraut than in 1961. Because of an expected larger carryover into the new crop year, however, total supplies of sauerkraut available during the 1962-63 season probably will be about the same as those of the current season.

Spinach--The Florida and California winter crop of spinach for processing was 56,200 tons, a fifth smaller than the large crop of a year earlier and moderately smaller than the 1951-60 average. This includes California production, previously classified as early spring. Cannery stocks on March 1 were substantially smaller than a year earlier but frozen stocks at that time were moderately larger. However, stocks of frozen spinach on April 1 were considerably below the high level of a year earlier, reflecting a smaller pack this March than last. Production estimates for the spring crop (previously classified as late spring), and the fall crop, are not available at this time.

Beets--Total supplies of canned beets available during the current season were about average, though moderately above last season. Although disappearance has been running a little above that of last season, canner holdings are larger than a year ago. Stocks in canners' hands on March 1 amounted to 4.2 million cases, 24/303 equivalents, compared with 3.9 million cases a year earlier. April 15 intentions reports indicate 3 percent larger acreage of beets for

processing than a year earlier. Increases are reported in all major producing States. Normal abandonment and 1959-61 average yields on the intended acreage would result in about the same tonnage as last year when smaller acreage was accompanied by unusually high yields.

Cucumbers for Pickles--Carryover stocks of cucumber pickles at the end of the current season are expected to be larger than a year earlier. April 15 intentions reports point to slightly smaller acreage of cucumbers for pickles this year than last. Indicated acreage is up from a year earlier in Maryland, Virginia, North Carolina, Texas, and Ohio, but is expected to be the same or smaller in other principal producing States. Due to larger carryover stocks than a year earlier, supplies of cucumber pickles next season probably will be about the same as in the current season.

POTATOES

Supplies of potatoes available for marketing during the first quarter of 1962 were materially larger than for the same period in 1961, and prices to growers averaged substantially lower. Larger storage stocks of late crop potatoes at the beginning of 1962, compared with a year earlier, more than offset materially smaller crops of winter and early spring potatoes. Storage stocks of fall crop potatoes on January 1 were almost 121 million hundredweight compared with 105 million hundredweight on January 1, 1961.

Movement of potatoes during the period January-March was considerably above that of a year earlier, mainly as a result of large quantities being diverted to starch, flour, and livestock feed. Total diversions, under the program operated by the U. S. Department of Agriculture, through April 20 amounted to about 26 million hundredweight. Of these, about 18 million hundredweight qualified for supplementary payments as U. S. No. 2 or better quality. The heavy fall and winter movements of potatoes, including diversions, helped to lighten the pressure on markets. Nevertheless, supplies remained large into early spring and prices in mid-April continued well below those of a year earlier.

Spring Prospects

Supplies of potatoes into mid-spring probably will continue above those of a year earlier. Estimated production for early spring harvest at 3.9 million hundredweight is down 16 percent from a year earlier, but indications are that remaining stocks of fall crop potatoes are somewhat larger. Supplies available in late spring, however, are expected to be materially smaller than the heavy supplies of last spring. Indicated late spring acreage is down 17 percent, with reductions reported in all States except Georgia. First production estimates will not be available until May 10. However, yields near the 1958-61 average, on the indicated acreage, would result in a crop almost a fourth smaller than the large crop of a year ago, and at least moderately below the recent 10-year average. Should production be near the indicated level, prices received by growers for the late spring crop probably will average above the low levels of a year earlier.

Prospects After Spring

Acreage intentions reports point to 7 percent less acreage planted to early summer potatoes this year than last, and 5 percent less to late summer and fall potatoes combined. Reductions in intended plantings of early summer, and of late summer and fall potatoes were general. Largest indicated cut in late summer and fall acreage -- 8 percent -- is in the 9 Western States, where 1961 production was extremely heavy. Among major States, prospective acreage is down about a tenth in Idaho, with more moderate cuts in Washington, Colorado, and California.

Intended acreage is only slightly smaller than last year in the 8 Eastern and the 9 Central States. In the East, prospective plantings are down slightly in Maine and Long Island, N. Y., and down moderately in Pennsylvania, Upstate New York, and other eastern States as a group. Among the Central States, growers in Wisconsin plan the same acreage as last year, those in Minnesota and North Dakota slightly less, and those in Michigan and other States as a group moderately less (table 3).

Overproduction Again Likely

Intended acreage of late summer and fall potatoes, though 5 percent below last year's large acreage, is still about 9 percent above the Department of Agriculture Acreage-Marketing Guide. The intended acreage, with yields near the average of recent years, would result in a production materially in excess of anticipated market demand, and probably would mean another season of relatively low prices to growers. Research work indicates that 5 percent too many potatoes results in 20 to 25 percent lower prices to growers. In view of the price depressing influence of overproduction, potato growers would do well to hold acreage near the recommended levels. The acreage-marketing guide for potatoes, published in February, and containing details by States recommends 6 percent less acreage for late summer harvest than in 1961, and 14 percent less for fall harvest. Copies of the guide can be obtained from the Office of Information, USDA, Washington 25, D. C.

SWEETPOTATOES

Supplies Lighter, Prices Higher Than a Year Earlier

Sweetpotato production in 1961 was slightly smaller than the previous season, and unloads data indicate that marketings so far this season have been near those for the same period a year earlier. Thus, remaining supplies probably are a little smaller than a year ago. With demand expected to be about the same as in the closing months of last season, prices to growers for these remaining supplies are likely to average slightly to moderately above a year earlier.

Table 3.--Potatoes, late summer and fall: Prospective plantings

Crop and area	Acreage planted			1962 as percentage of 1961
	1951-60 average	1961	Prospective 1962 ^{1/}	
	1,000 acres	1,000 acres	1,000 acres	Percent
Late Summer and Fall				
Maine	139.2	150.0	147.0	98
New York-Long Island	50.4	44.0	43.0	98
-Upstate	46.2	44.0	42.0	95
Pennsylvania	52.7	41.0	39.0	95
Other States ^{2/}	25.4	23.9	22.7	95
8 Eastern	313.9	302.9	293.7	97
Michigan	55.9	49.6	47.1	95
Wisconsin	53.2	57.0	57.0	100
Minnesota	90.2	127.5	125.5	98
North Dakota	98.1	124.0	122.0	98
Other States ^{3/}	70.2	46.6	43.5	93
9 Central	367.6	404.7	395.1	98
Idaho	180.6	287.0	255.0	89
Colorado	55.8	62.0	59.0	95
Washington	33.6	43.0	40.0	93
Oregon	36.0	37.0	37.0	100
California	28.6	31.3	29.9	96
Other States ^{4/}	25.4	22.9	23.7	103
9 Western	360.0	483.2	444.6	92
Late summer only:				
Other States ^{5/}	51.7	41.3	37.5	91
Total late summer and fall	1,093.8	1,232.1	1,170.9	95

^{1/} Intended acreage as of March 1.^{2/} New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.^{3/} Ohio, Indiana, Iowa, South Dakota, and Nebraska.^{4/} Montana, Wyoming, Utah, and Nevada.^{5/} Illinois, New Jersey, Maryland, Virginia, West Virginia, North Carolina, and New Mexico.

Crop Production, SRS, USDA, issued monthly.

Prospective Acreage Up
Slightly in 1962

March 1 intentions reports indicate growers plan to plant 205,000 acres of sweetpotatoes in 1962, 3 percent more than last year, but almost a third less than the 1951-60 average. Acreage intentions are down 2 percent in the Central States. Intended acreage in Louisiana, largest producing State in the country, is down 4 percent from a year earlier. Each of the other 9 Central States report either the same or less acreage than last year. But intentions reports point to larger acreages in both the Atlantic and Western States. Prospective plantings are up almost a tenth in the Atlantic States, with moderate increases in New Jersey and Maryland, and material increases in Virginia, North Carolina, South Carolina, and Florida. Growers in the Western States expect to plant 15 percent more acreage, with both California and New Mexico reporting substantial increases. However, the West has only about 6 percent of the total national acreage.

Prospects for the
1962-63 Season

Should yields in the major producing areas be near the 1960-61 average, supplies of sweetpotatoes in the coming season are likely to be slightly larger than those of this season. Demand for 1962-crop sweetpotatoes is expected to be about the same as that for the 1961 crop. Should production be about in line with early indications, prices to growers in the 1962-63 marketing season probably would average the same to moderately below those of the current season.

DRY EDIBLE BEANS

Remaining Supplies
Above a Year Earlier

Total supply of dry edible beans available during the 1961-62 season were materially larger than a year earlier. Growing conditions for the 1961 crop were generally favorable, and both yield per acre and total production were record large. Domestic use of beans is expected to be slightly larger than last season, but exports so far this season have been light. With the continued loss of the Cuban market and a large 1961 crop of beans in Mexico, exports of colored classes have been especially light this season.

Remaining supplies of both colored and white classes of dry beans are larger than those of a year earlier. Among important white classes, remaining supplies of pea beans are materially larger than a year earlier and supplies of Great Northern beans slightly larger. Holdings of small whites are down. But supplies of both baby lima and large lima beans are much larger than the tight supplies of a year ago. More blackeye beans also are available than the small supply of a year earlier. Among colored classes, remaining supplies of pinto beans are materially larger than a year ago. Supplies of pink and red kidney beans also appear to be larger. But supplies of cranberry and small red beans probably are below those of a year earlier.

Among important colored classes of beans, prices of red kidneys have averaged significantly above those of last season, while pintos have averaged lower. Among white classes, prices of pea beans have averaged above those of last year. The higher prices have been due largely to the higher price support level, and substantial government purchases of pea beans for distribution under the school lunch and needy persons programs. Through April 6, the Department had purchased about 310,000 hundredweight of pea beans for the programs and about 427,000 hundredweight of pintos. Prices of most other white beans have averaged significantly below those of the previous season.

Acreage Up Slightly
From Last Year

Intentions reports in early March indicate growers plan to plant a total of 1,514,000 acres of dry beans in 1962. This is slightly more than was planted in 1961, and about the same as the recent 10-year average. Prospective acreage in the Northeast is up 5 percent from last year. Michigan growers, principal producers of pea beans, plan a 4 percent increase, and New York growers a 12 percent increase. Growers in the Northwest, which produces most of the Great Northern and small red beans, and substantial quantities of pintos plan 3 percent more acreage than in 1961. A substantial increase in acreage is indicated in Washington, and slight to moderate increases in Wyoming and Idaho. A moderate cut is in prospect in Nebraska, and a substantial cut in Montana. Southwestern producers, who grow mostly pinto beans, plan a 5 percent increase in acreage. A moderately larger acreage is expected in Colorado, which accounts for about 85 percent of the crop in the Southwest. Prospective acreage is the same as last year in Kansas, but moderately to substantially larger in New Mexico and Utah.

California growers plan a 5 percent reduction in dry bean acreage from 1961. Producers of lima beans plan to plant 8 percent larger acreage than a year earlier, but producers of other beans in California plan a 10 percent cut.

Prospects for the
Coming Season

Exports of dry beans for the remainder of the season probably will be above those of a year earlier, due partly to heavier anticipated exports under P. L. 480 programs. Domestic use for the rest of the season also is expected to be larger than last season, mainly because of USDA donations to school lunch and needy persons programs. Nevertheless, aggregate carryover stocks of beans at the end of the current season are expected to be materially larger than a year ago. Carryover of white beans may not be greatly different from that of a year earlier, but stocks of colored beans are expected to be much larger.

If farmers plant about in line with March intentions, production of 1962 crop dry beans probably will be materially smaller than in 1961 when yields were record high. However, total supplies available in 1962 may be slightly to moderately larger due to larger carryover stocks. The national average support price for 1962-crop dry edible beans in \$6.32 per hundredweight for U. S. No. 1 beans, cleaned and bagged. This is the same average level as for the 1961 crop. However, because of shifts in production toward those classes with a lower level of support, support levels are 12 cents per hundredweight higher than in 1961 for all classes except pinto, medium white and pea beans, which are the same as for the 1961 crop. As under past programs, beans will be supported through loan and purchase agreements, which will be available from harvest time through January 31, 1963. Loans will mature on April 30, 1963. Support prices, by classes, for 1962-crop dry beans are: Medium white and pea beans, \$6.40 to \$6.90 per hundredweight, depending on area; Great Northern, \$6.52 to \$7.02; small white and flat small white, \$7.33; pink, \$7.13; small red, \$7.18 to \$7.28; pinto, \$5.78 to \$6.38; red kidney, \$8.51; large lima, \$10.05 to \$10.20; and baby lima, \$5.40. Premium for U. S. Choice Hand Picked, and U.S. Extra No. 1 beans will be 10 cents per hundredweight, except for pea beans, on which the premium for U. S. Choice Hand Picked grade will be 25 cents. Discounts for U. S. No. 2 grade beans will be 25 cents per hundredweight. Should supplies of dry beans in the 1962-63 marketing season be near the levels now indicated, prices to growers probably would average near those for the 1961 crop.

DRY FIELD PEAS

Remaining Supplies Below a Year Earlier

As a result of materially smaller beginning stocks, supplies of dry field peas available for marketing during the 1961-62 season were moderately smaller than in 1960-61. Domestic consumption so far this season probably has been about the same as a year ago, and exports a little larger. However, the tone of the market generally has been dull and prices to growers from September through February averaged a little below those of the previous season. By March, prices were moderately above those of 1961. With smaller remaining supplies, prices through the spring are likely to continue at least moderately above those of a year earlier.

Acreage About the Same in 1962

According to March intentions reports, growers plan to plant near the same acreage of dry peas as last season. Four of the six dry pea producing States reported smaller acreages than last year, while two indicated larger plantings. Of the two major producing States, which account for about four-fifths of the total crop, growers in Idaho intend to plant 8 percent more acreage, while those in Washington plan a 5 percent cut. Among the less important producing States, Colorado growers intend to plant a third more acreage this year than the low level of a year ago. But producers in Oregon report a moderate cut in acreage from last year, and those in Minnesota and North Dakota indicate substantial cuts.

First production estimates by the Department will not be available until early July. However, yields near the 1957-61 average, on the intended acreage, would produce 3.9 million hundredweight of dry peas, about a tenth more than the 1961 crop, and 14 percent above average.

Larger Supplies
in Prospect in
the Coming Season

Carryover stocks of dry peas at the beginning of the 1962-63 season likely will be somewhat smaller than at the beginning of the current season. However, if growers plant the intended acreage, and average yields are realized, production would be materially larger and supplies at least moderately larger than in the 1961-62 season. Domestic use of dry peas next season probably will be the same to slightly larger than in the current season. Under indicated supply conditions, this would leave moderately more peas available for export in the coming season. Actual exports, however, will depend largely on output of 1962-crop peas in Europe. As usual, the level of foreign demand will have an important influence on prices received by U. S. growers.

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THE POTATO PRICE AND INCOME PROBLEM

By Will M. Simmons*

In recent years, both Government and industry have been deeply concerned about the tendency of the potato industry to overproduce and about the sharply fluctuating and often low levels of price and income to growers. During 8 of the last 10 marketing seasons, including the current season, the U. S. Department of Agriculture has operated potato diversion programs designed to increase returns to growers by assisting them in disposing of large crops. Because of the recurring depressed economic position of the potato industry, USDA recently conducted a study and released a report delineating the important aspects of the price and income problem, and presenting several possible approaches for dealing with these problems. The report also reviews trends in production, consumption, marketing and utilization of potatoes, particularly as they relate to the present status and problems of the industry. The ensuing article, drawn largely from the report, is confined to a description and analysis of important aspects of the price and income problem and the forces which tend to generate and perpetuate these problems.

There are three important aspects or parts of the potato price and income problem. One aspect is the relatively large number of small uneconomic producing units, and consequently persistent low income. Where this condition exists it exerts an overriding influence on income. Despite a sharp decline in number of "small plots" or small acreages of potatoes, many small operations still exist. Of all farms reporting 10 or more acres of potatoes in the 1959 Census of Agriculture, more than a third of the number reported less than 25 acres. Obviously, such acreages are too small to enjoy the economies of scale or to furnish a very adequate net income to growers if the potato enterprise is the major source of income. However, such farms in 1959 accounted for less than a sixth of total production. Also, this aspect of the problem is somewhat apart from the other two, and will not be treated in detail.

The other two aspects of the price and income problem, and the subject of ensuing sections of this discussion are: (1) The sharp fluctuations in prices and income to potato growers; and (2) the tendency of the industry to overproduce, thus depressing the average level of prices and income to growers. To some extent these two aspects of the problem are related. For the sake of simplicity and clear understanding, however, they will be taken up separately.

THE PROBLEM OF PRICE AND INCOME FLUCTUATIONS

The tremendous changes in the potato industry over the last half century have created numerous new problems. Great strides have been made in the science and techniques of production, and in expanding the scope and increasing the efficiency of distribution. But the industry is still confronted with the ever-present problem of sharply fluctuating prices, and the consequent large changes and often low level of income to growers. In fact, the problem has become increasingly serious as potato farms have become larger and more highly capitalized.

*Analytical Statistician, Economic and Statistical Analysis Division, ERS.

Types of Price Fluctuations

Price changes in potatoes, like those in other commodities, are of two general types. First, are the wide swings in prices of potatoes associated with changes in the general farm price level, and usually occurring over periods of several years. During such wide swings in farm prices, potato prices move in the same general direction as prices of all farm products. These wide swings generally coincide with similar swings in the general level of economic activity.

In addition to these general swings, potato prices from year to year fluctuate violently about the price level of all farm products (fig. 1). Only during the price support period, 1943-50, were the price fluctuations appreciably dampened.

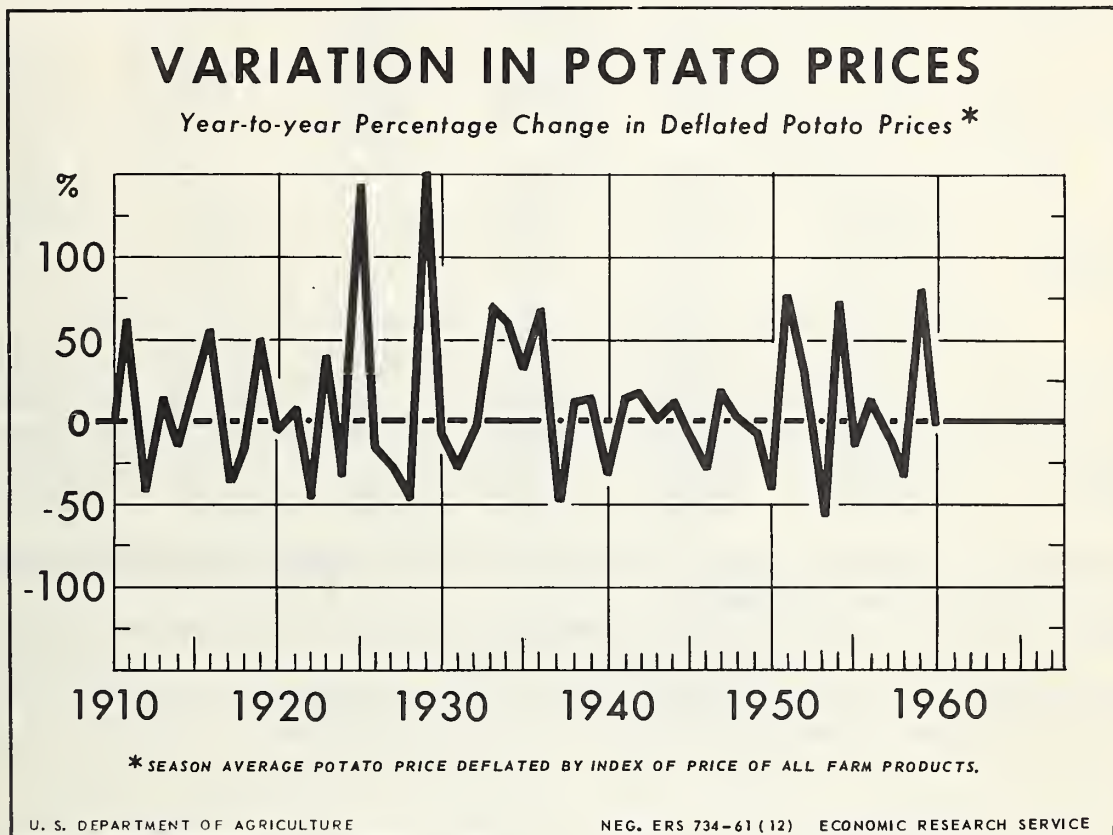


Figure 1

In the period 1920-60 the year-to-year variation in prices received by farmers for potatoes around the general farm price level averaged about 46 percent (table 4). Excluding the years 1943-50, the fluctuations averaged more than 50 percent. They averaged only 19 percent in 1943-50, a period of government price supports. But year-to-year fluctuations in 1951-60 averaged 47 percent. Except for dry onions, variability in prices of potatoes during the

past decade has been much greater than that for perhaps any other major commodity. It is about twice that for apples and oranges, and compares with an average price variability of less than 10 percent for most major field crops, 16 percent for hogs, 14 percent for eggs, and 11 percent for beef cattle.

Table 4.--Year-to-year percentage variations in the prices of important farm commodities around the moving farm price level, averages for selected periods 1/

Commodity	: 1920-33	: 1934-42	: 1943-50	: 1951-60	: 1920-60	: 1920-60
						excluding
						1943-50
Potatoes	57.86	51.13	19.69	47.08	46.31	52.76
Onions	63.11	32.94	62.29	46.88	52.37	49.96
Apples	36.07	33.18	36.41	22.50	32.19	31.17
Oranges	52.64	22.11	34.71	21.99	34.96	35.03
Eggs	7.20	9.01	10.58	13.71	9.84	9.67
Hogs	14.59	20.54	9.30	15.92	15.19	16.62
Beef Cattle	8.53	11.13	9.30	10.87	9.82	9.95
Whole Milk	7.39	5.13	5.89	4.45	5.88	5.88
Cotton	32.39	15.95	7.59	5.98	17.50	19.90
Oats	17.98	31.82	13.80	8.86	17.98	18.99
Wheat	19.76	16.16	6.70	5.50	12.94	14.46
Corn	20.45	22.68	14.66	6.10	16.31	16.71
Soybeans	2/21.96	26.21	10.68	7.14	17.08	18.63
Tobacco	28.69	22.40	8.46	4.82	17.54	19.74

1/ Individual commodity prices are deflated by the Index of Prices Received by Farmers for All Farm Products.

2/ This series originated in 1924; the period covered is therefore 1924-33.

Data for 1920-42 from Farm Prices, by Willard W. Cochrane; 1943-60 data from Agricultural Prices, Statis. Rptg. Serv., U. S. Dept. Agr.

Since quantities of potatoes produced and marketed from year to year change by an average of only about 8 percent, the sharp changes in prices result in large changes in income to growers (table 5). The sharp changes in price and income from year to year also result in great uncertainty on the part of producers and in inefficient allocation of resources.

Table 5.--Potatoes: Production, quantity sold, price, value of sales and changes in value compared to previous year, United States, 1951-60

Crop year	Production	Quantity sold	Season average price	Value of sales	Change in value from previous season
	Mil. cwt.	Mil. cwt.	Dol. cwt.	Mil. dol.	Percent
1951	195.8	161.9	2.68	434.5	33.8
1952	211.1	177.3	3.21	569.2	31.0
1953	231.7	192.4	1.31	252.1	-55.7
1954	219.5	183.5	2.15	394.8	56.6
1955	227.7	193.2	1.77	342.7	-13.2
1956	245.8	210.2	2.02	425.3	24.1
1957	242.5	212.3	1.90	405.4	- 4.7
1958	266.9	233.4	1.31	306.3	-24.4
1959	245.8	217.1	2.27	492.5	60.8
1960	257.4	228.7	2.00	457.1	- 7.2

Reasons for Large Year-to-Year Variations in Potato Prices

The serious instability in potato prices, and consequently in income to producers, results from a combination of the inelasticity of demand for potatoes, and from variations in production. Although year-to-year changes in production are fairly moderate, the inelastic demand for this product results in sharp price changes.

Inelastic Demand for Potatoes

Consumers want about the same quantity of potatoes from one year to the next, regardless of price. This means that even at greatly reduced prices only small additional quantities can be moved into food channels. Or to put it another way, consumer demand for potatoes is highly inelastic -- that is, consumption changes little with relatively large changes in price. Or, looking at it still another way, small changes in the quantity marketed result in much larger changes in price. Furthermore, with a wider distribution and higher average level of consumer income, Cochrane and other authors have found that the demand for food as a group is significantly more inelastic now than in earlier years. ^{1/} This also has been true for potatoes. ^{2/} Before World War II, in the period 1920-41, a 3.5 percent change in retail price from one year to another was associated with a 1 percent change in the per capita consumption of potatoes. But in the postwar years, 1948-58, a change of almost 5 percent in retail prices was associated with a 1 percent change in per capita potato consumption.

^{1/} Farm Prices Myth and Reality. Cochrane, Willard W., Univ. Minn. Press, Minneapolis, Minn. 1958.

^{2/} Based on unpublished work by Olman Hee, Econ. Res. Serv., U.S. Dept. Agr.

The question frequently arises as to why the demand for potatoes is so inelastic. One reason is that the capacity of the human stomach is limited to about 40 ounces. This results in an inelastic demand, and little change in per capita consumption of food as a whole. It also helps to explain why consumers want only about 110 pounds of potatoes per person per year.

This fairly stable consumption of food in terms of pounds does not, of course, mean that the demand for food in terms of what consumers will spend, or in terms of farm resources required to produce these foods, is limited to the growth in population. In fact, changing food habits and increasing income over the years have been associated with a significant increase both in per capita expenditures for food, and in farm resources required to produce these foods.

Thus, although pounds of food consumed per person changes little over time, shopping and eating habits, the kinds of food consumed, and the form in which foods are bought change markedly. This means that there is constant and keen competition among producers and distributors of various food items, or groups of items, to increase their share of the total. In response to this competition, increasing consumer income and other forces, there have been over the years significant shifts in our eating habits. The shifts have been generally away from high calorie foods to low calorie, high protein foods. As might be expected in a general shift of this kind, potatoes lost ground to other types of foods (fig. 2).

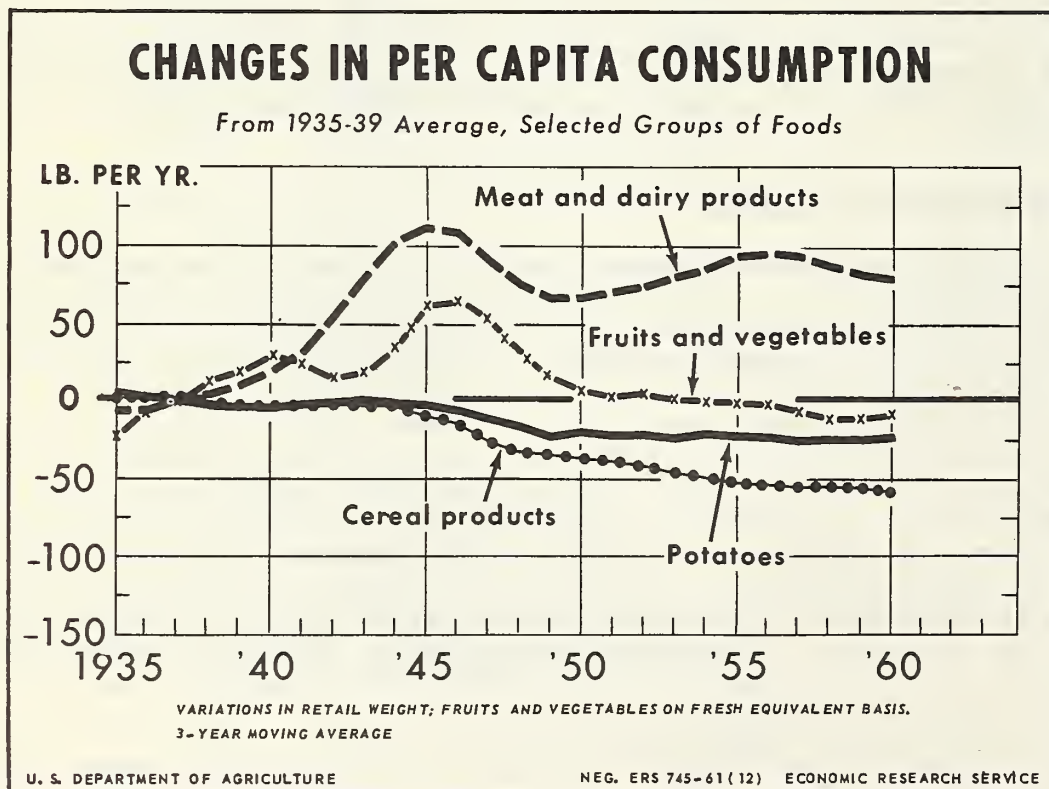


Figure 2

Combined consumption of meat, eggs, and dairy products per person was about 80 pounds greater in 1960 than in 1935-39. Use of fruits and vegetables, on a fresh weight basis, declined slightly during the period. But consumption of potatoes, like cereals, dropped sharply and by 1950 was about 20 pounds under the 1935-39 level. Subsequently, per capita consumption of potatoes has remained near the 1950 level or increased slightly. Potatoes, a low-cost product relative to most other foods, generally have not benefited from the increased purchasing power of consumers. In fact, increased incomes and larger consumption of some of the more preferred low-calorie, high-protein, and higher-priced foods, such as meats, have put increasing pressure on potatoes. The result has been a lower level of consumption than in the prewar period, and a more inelastic demand. It is important to growers, however, that the downtrend in potato consumption has been halted. Since about 1950, annual per capita consumption has fluctuated somewhat from year to year, but has tended to be around 105 to 110 pounds.

Impact of Inelastic Consumer Demand on Farm Prices and Income

The inelastic consumer demand for potatoes at retail is, of course, reflected back to demand at the farm level. In fact, marketing costs--such as grading, washing, packing, transporting, and wholesale and retail handling--change slowly over time, and generally change little in the short run. Because of this semifixed nature of marketing costs over short periods, the great bulk of any change in price at retail is reflected in a change in the price paid to growers. Since prices received by growers for potatoes typically make up only about a third of the retail price, even modest changes in the retail price result in sharp changes in prices to growers. For example, assume that the retail price of potatoes is \$6.00 per hundredweight, and that total marketing charges are \$4.00, so that the grower gets \$2.00 per hundredweight. If the retail price falls 10 percent to \$5.40 and marketing charges remain fixed at \$4.00, price to the grower will fall to \$1.40 per hundredweight. However, this represents a 30 percent drop in price to grower. Thus, changes in production and quantities of potatoes available, which because of inelastic consumer demand influence the retail price, have a strong impact on farm price. During the period 1951-60, a 5 percent change in production of late crop potatoes was associated with an opposite change of 25 percent in prices received by growers.

Putting the production-price relationships in terms of total gross income from potatoes, a 10 percent change in production was associated, on the average, with an opposite change of 40 to 45 percent in gross income. This points up the serious income changes that result from even relatively modest changes in production. The problem may be clearly illustrated using the estimated quantity-price relationships for the late summer and fall crops (fig. 3). These crops together make up about four-fifths of total production.

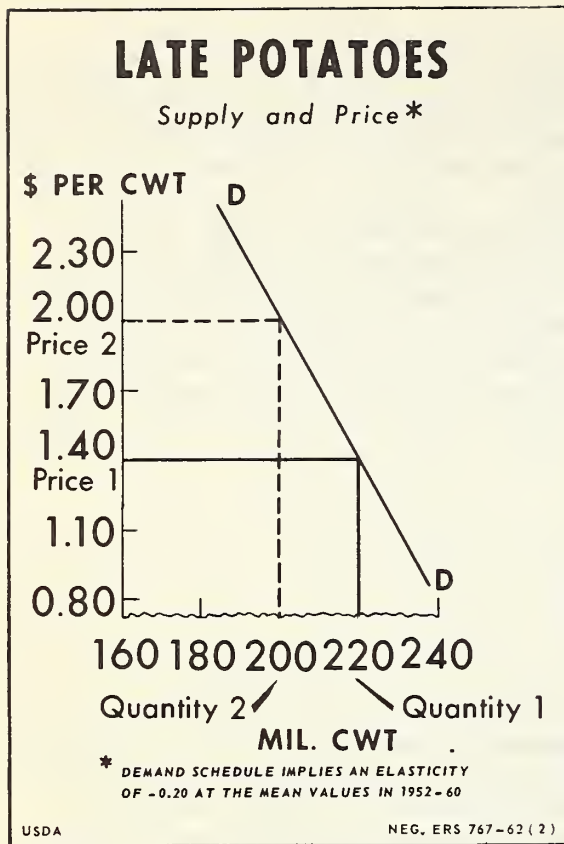


Figure 3

If, for example, average production of late summer and fall crop potatoes is 220 million hundredweight and prices to growers \$1.40 per hundredweight, gross farm value of production is about \$310 million. A decline in production to 200 million hundredweight tends to raise prices to \$2.00 per hundredweight, and increases gross value to \$400 million. Conversely, an increase in production to 240 million hundredweight would tend to drop prices to about \$0.80 per hundredweight and reduce gross value to about \$190 million.

Using the same calculated elasticity for the U. S. crop and starting with an average production of say 275 million hundredweight and an average price of \$1.55 per hundredweight, because of higher average prices for early potatoes, permits an approximation of the effect of changes in production on price and value of the total crop. A crop of 275 million hundredweight

at \$1.55 per hundredweight would have a gross value of production of about \$425 million. A 10 percent smaller crop, or about 250 million hundredweight, would tend to bring about \$2.25 per hundredweight, or a gross value of about \$560 million. On the other hand, a 10 percent larger crop than average would tend to result in sharply lower prices to growers and reduced value of the crop.

Variations in Production

As we have seen, it is the variations in production coupled with an inelastic demand which causes the recurring price and income problems. Variations in production result from both production decisions by growers and from uncontrollable factors that affect production, such as weather. Variations in production resulting from the sum total of decisions made by individual growers and the impact of such decisions on prices can best be explained in a general way by the interaction of supply and price, the cobweb analysis. This holds that producers in a particular year base their production plans largely on prices received for potatoes in the previous year. Thus, if prices in a particular year are high, growers will increase acreage the following year, and the resulting

increase in production will cause lower prices. Similarly, the lower prices will call forth a smaller acreage and presumably a smaller production in the next year, and result in higher prices (fig. 4).

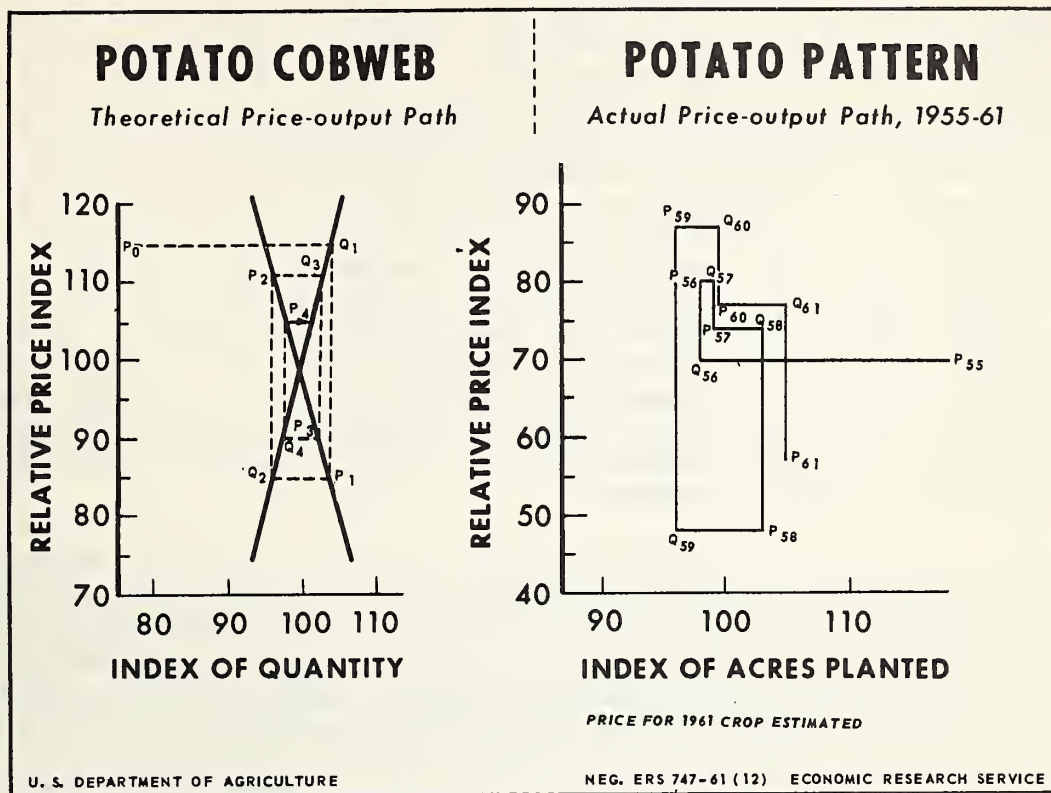


Figure 4

Figure 5

If we start arbitrarily with a relative price index of 115, P_0 in the figure, growers for the next year will produce quantity Q_1 . But quantity Q_1 forces prices down to P_1 , or a relative price index of about 85. As a consequence of the lower price, P_1 , growers for the next year cut production back to Q_2 which sells for a substantially higher price, P_2 , etc.

The nature of price fluctuations in a cobweb analysis depends upon the relative elasticities of supply and demand--i.e. the relative effect of changes in prices in a particular year on production in the following year, compared with the effect of changes in production on prices. Where the elasticity of supply is significantly greater than the elasticity of demand, supply-price interactions will diverge from equilibrium--the price at which the quantity demanded equals the quantity supplied--and fluctuations will increase. On the other hand, if the supply elasticity is less than the demand elasticity, the pattern of supply-price interactions tends to converge toward equilibrium; or to put it another way, adjustments in production would eventually bring about an equilibrium price. Theoretically, potatoes probably would fit into the latter category, with a converging pattern. According to recent research work in the Department, the estimated elasticity of demand for late crop potatoes,

which make up about four-fifths of total annual production, is -0.20, while the estimated supply elasticity, using acreage as an indicator of supply, is 0.13. This suggests that price should tend to adjust toward equilibrium.

Actually, in practice the cobweb interactions of supply and demand does not operate perfectly, for a number of reasons. To begin with, farmers because of past experience when their price expectations failed to materialize, operate from considerable uncertainty and do not always respond the same in their planting decisions to a particular past price. Even if growers as a group responded exactly the same to a given price situation, production would vary because of weather and other uncontrollable factors affecting yields. This is serious in the case of potatoes, as about 40 percent of the year-to-year variation in production during the last decade has been caused by variation in yield. Also, a technological advance lowering the cost of production would tend to result in a larger output the following year, and consequently lower prices. In addition, other factors might exert a disrupting influence on the cobweb interaction. Quality of the crop may have a bearing on change in price. A significant change in demand also would tend to break the cobweb pattern. So what actually results is a pattern of price movement that generally resembles the cobweb pattern, but does not follow it closely.

The actual pattern for potatoes is illustrated in figure 5 which shows the pattern of prices and acreage from 1955 to 1961. Based on actual prices received by growers for potatoes, the 1955 relative price index was 70. Growers cut acreage sharply in 1956, to Q₅₆. The 1956 crop sold at higher prices, P₅₆. Neither quantity nor price changed greatly in 1957. But quantity increased the next year, Q₅₈, and prices dropped sharply to P₅₈, etc.

OVERPRODUCTION AND PRICE AND INCOME LEVEL

In addition to the problem of sharp year-to-year fluctuations in prices and income, potato growers in recent years have been plagued with general overproduction and the consequent depressing influence on the general level of potato prices. Some measure of the estimated overproduction is indicated by comparing actual production with production recommended in the USDA acreage-marketing guide. During each of the last 9 years actual production exceeded the USDA guide by amounts varying from 7 to 23 percent (table 6).

Over the past 10 seasons, actual production exceeded the guide by an average of 12 percent. This relatively high level of production has frequently resulted in growers moving substantial quantities of potatoes into starch and livestock feed. Some estimates are made of the normal quantity of potatoes that would have been used for starch, and fed to livestock and lost through shrinkage if production had been about in line with demand. Comparing these estimated quantities with actual quantities so used, permits a rough approximation of excess quantities lost through shrinkage or moving into nonfood outlets (table 7).

Table 6.--Potatoes: USDA Marketing Guide production and actual production, United States, 1952-61

Year	Production		
	Guide	Actual	Actual as percentage of guide
	<u>Mil. cwt.</u>	<u>Mil. cwt.</u>	<u>Percent</u>
1952	210.0	211.1	100.5
1953	215.4	231.7	107.6
1954	203.4	219.5	107.9
1955	203.4	227.7	111.9
1956	205.2	245.8	119.8
1957	212.6	242.5	114.1
1958	217.6	266.9	122.7
1959	229.9	245.8	106.9
1960	238.0	257.4	108.2
1961	245.0	290.9	118.7
1952-61 average	218.0	243.9	111.9

Table 7.--Potatoes: Actual and estimated quantities for starch, livestock feed and shrinkage, 1952-61

Crop year	Actual quantity			Estimated	Amount actual
	Fed to	Starch	Total	normal feed,	exceeded estimated
	livestock and shrinkage 1/			starch and shrinkage	normal quantity
	Mil. cwt.	Mil. cwt.	Mil. cwt.	Mil. cwt.	Mil. cwt.
1952	15.0	5.0	20.0	20.0	0
1953	23.4	9.9	33.3	20.3	13.0
1954	18.7	6.6	25.3	20.6	4.7
1955	21.0	12.5	33.5	21.0	12.5
1956	27.2	16.5	43.7	21.3	22.4
1957	23.5	11.5	35.0	21.6	13.4
1958	38.1	16.6	54.7	22.0	32.7
1959	22.2	6.2	28.4	22.3	6.1
1960	21.1	8.7	29.8	22.6	7.2
1961	---	---	2/60.0	23.0	37.0

1/ Quantity fed to livestock 1952 through 1955 partly estimated.

2/ Estimated.

The frequent heavy diversions of potatoes to nonfood uses have occurred largely in areas operating under Federal-State marketing agreement and order programs. Through grade and size regulations authorized under the orders, these areas have a device, and they also have facilities, for diverting the less preferred grades and sizes. In 8 of the past 10 marketing seasons including the 1961-62 season, the U. S. Department of Agriculture, at industry request, has made supplementary payments to producers for diverting U. S. No. 2 or better quality potatoes to starch and livestock feed. Total diversions under the programs ranged from about 1 million hundredweight in 1954 to 23 million in 1958, and are expected to exceed 25 million in 1961. Typically, 65 to 70 percent of the diverted potatoes qualified for supplementary payments. Payments under the program ranged from \$240,000 in 1954 to \$7.5 million in 1958, and payments on the 1961 crop probably will be close to \$10 million. Overproduction of the magnitude indicated represents an inefficient allocation of farm resources. The heavy supplies overhanging the market and the low returns for potatoes going into starch and livestock feed tend to reduce both the average price level and average net income to growers.

WHAT CAN BE DONE ABOUT THE PRICE AND INCOME PROBLEM

The problem of sharply fluctuating prices and income to potato growers results from changes in available supplies, and from a very inelastic demand for potatoes. The low average level of price and income to growers in recent years has been brought about by frequent overproduction, and accompanying low prices. Obviously, any success in alleviating these problems must attack the basic causes of instability and low price levels. Thus, any success in dealing with the problems must necessarily alter either the supply of potatoes, the demand, or both. Presentation of various approaches which might be used to achieve more stable and higher levels of price and income to growers is more technical than the preceding analysis of the problem, and is beyond the scope of this article. Those interested in this aspect may find such a discussion in the detailed study, on which this article is based, An Economic Study of the U. S. Potato Industry. Copies may be obtained from Office of Information, U. S. Department of Agriculture, Washington 25, D. C.

Table 8.--Truck crops, potatoes and sweetpotatoes: Unloads at 41 cities, indicated periods, 1961 and 1962 (Expressed in carlot equivalents)

Commodity	February 18-March 17, 1961				March 18-April 14, 1961				February 16-March 15, 1962				March 16-April 12, 1962			
	Rail, boat and air	Truck	Im-ports	Total	Rail, boat and air	Truck	Im-ports	Total	Rail, boat and air	Truck	Im-ports	Total	Rail, boat and air	Truck	Im-ports	Total
Asparagus	69	265	4	338	464	610	1	1,075	17	104	3	124	263	530	---	793
Beans, lima, snap and fava	83	512	74	669	162	635	106	903	167	529	61	757	114	480	48	642
Beets	2	58	---	60	13	63	---	76	3	34	---	37	2	56	1	59
Broccoli	215	131	---	346	180	117	---	297	84	134	---	218	149	120	---	269
Cabbage	682	2,180	---	2,862	640	2,272	---	2,912	633	1,967	5	2,605	343	2,134	72	2,549
Cantaloups and other melons 1/	---	---	341	341	---	---	671	671	---	---	477	477	---	---	1	750
Carrots	698	804	10	1,512	673	811	12	1,496	747	994	5	1,746	799	898	3	1,700
Cauliflower	384	460	---	844	197	415	---	612	163	455	---	618	216	337	---	553
Celery	1,079	1,455	---	2,534	1,073	1,427	---	2,500	711	1,317	---	2,028	677	1,218	---	1,895
Corn	32	168	1	201	90	335	---	425	106	262	8	376	310	483	1	794
Cucumbers	20	252	151	423	82	642	28	752	58	216	248	522	55	475	102	632
Eggplant	---	67	17	84	1	119	20	140	---	89	20	109	7	150	23	180
Escarole and endive	29	228	6	263	43	240	8	291	29	293	9	331	33	293	9	335
Lettuce and romaine	3,174	3,022	---	6,196	3,053	3,157	---	6,210	2,873	3,431	---	6,304	2,828	3,500	---	6,328
Onions 2/	471	1,708	332	2,511	535	1,912	311	2,758	439	1,784	433	2,656	448	1,658	560	2,666
Peas, green	---	29	79	108	47	94	40	181	---	22	70	92	---	30	30	60
Peppers	233	507	69	809	123	489	70	682	140	487	163	790	191	486	124	801
Spinach	213	133	---	346	92	241	---	333	201	108	---	309	113	180	---	293
Squash	5	401	---	406	3	439	1	443	7	294	9	310	---	243	2	245
Tomatoes	487	1,492	933	2,912	752	1,257	1,202	3,211	498	1,210	1,240	2,948	862	1,326	1,470	3,658
Turnips and rutabagas	3	202	149	354	1	167	115	283	---	265	160	425	1	243	121	365
Watermelons	---	---	125	125	---	21	233	254	---	---	117	117	39	157	171	367
Other vegetables (including mixed)	1,676	105	1	1,782	1,451	129	---	1,580	1,382	106	2	1,490	1,308	111	1	1,420
Total	9,555	14,179	2,292	26,026	9,675	15,592	2,818	28,085	8,258	14,101	3,030	25,389	8,758	15,109	3,488	27,355
Potatoes	6,406	6,238	25	12,669	7,655	6,214	6	13,875	6,391	6,574	15	12,980	7,214	6,284	23	13,521
Sweetpotatoes	3	863	---	866	4	931	---	935	3	905	---	908	7	785	---	792
Grand total	15,964	21,280	2,317	39,561	17,334	22,737	2,824	42,895	14,652	21,580	3,045	39,277	15,979	22,178	3,511	41,668

1/ Except watermelons. 2/ Includes shallots, chives, cipolinas, leeks, scallions, and green onions.

Markets include: Albany, Atlanta, Baltimore, Birmingham, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbia, Dallas, Denver, Fort Worth, Detroit, Houston, Indianapolis, Kansas City, Los Angeles, Louisville, Seattle, Memphis, Miami, Milwaukee, Minneapolis, Nashville, Newark, Tacoma, New Orleans, New York, Oakland, Philadelphia, Pittsburgh, Portland (Ore.), Providence, St. Louis, St. Paul, Salt Lake City, San Antonio, San Francisco, Washington, and Wichita.

Truck unloads are not 100 percent complete but represent highest percentage completeness obtainable under local conditions in markets covered.

Market News: Weekly reports, AMS, USDA.

Table 9.--Vegetables, fresh: Representative prices (l.c.l. sales) at New York and Chicago for stock of generally good quality and condition (U. S. No. 1 when available), indicated periods, 1961 and 1962

Market and commodity	State of origin	Unit	Tuesday nearest mid-month					
			1961		1962			
			Mar.	Apr.	Jan.	Feb.	Mar.	Apr.
			14	18	16	13	13	17
			Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
New York:								
Beans, snap								
green, Harvesters	Florida	Bu. hamper	6.50	4.25	6.75	3.80	3.75	5.75
Beets, bunched	Texas	$\frac{1}{2}$ crt. 42's	3.75	4.35	5.25	---	4.50	4.50
Broccoli, bunched	California	14's, small crt.	3.75	2.75	3.75	3.50	---	3.25
Cabbage:								
Domestic,								
Round type	Florida	1-3/4 bu. crt.	2.50	2.25	4.25	3.75	6.00	2.25
Carrots:								
Bunched	California	4 doz. 2/3 WGA crt.	5.00	5.25	5.50	5.00	5.35	5.38
Topped, washed	California	48-1 lb. film bag						
		crt.	5.60	6.25	5.50	5.00	6.00	5.25
Topped, washed	Texas	48-1 lb. film bag,						
		mesh bags	3.90	5.00	4.00	4.25	4.65	3.75
Cauliflower	California	Ctns. film wrpd.12's	3.25	4.75	4.50	4.85	---	3.65
Celery:								
Pascal	Florida	16-in. crt. 2-4 doz.	2.50	2.75	4.25	4.60	7.00	5.75
Pascal	California	16-in. crt. 2-2 $\frac{1}{2}$ doz.	3.90	3.90	6.00	6.50	---	8.50
Cucumbers	Florida	Bu. bskt.	7.50	4.50	9.50	8.00	8.50	9.25
Escarole	Florida	1-1/9 bu. crt.	2.10	1.90	4.00	4.00	2.65	1.75
Lettuce, Big Boston	Florida	2 doz. crt.	2.00	2.25	---	4.75	4.00	3.50
Onions:								
Yellow, medium,								
(Western Section)	New York	50-lb. sack	1.50	1.60	3.75	4.10	3.65	3.00
Yellow, Granex, Med.	Texas	50-lb. sack	---	2.65	---	---	---	4.00
Peppers, green	Florida	Bu. bskt., med.-lge.	4.25	5.50	4.00	4.25	3.75	5.00
Spinach, Savoy	Virginia	Bu. bskt.	---	3.00	2.25	---	---	1.75
Chicago:								
Beans, snap								
green, Harvesters	Florida	Bu. hamper	5.40	4.50	7.25	4.00	4.25	5.75
Beets, bunched	Texas	36-bchs.	3.00	2.85	3.85	1/5.00	3.00	3.75
Broccoli	California	14's, $\frac{1}{2}$ crate	3.25	2.50	3.50	3.15	4.25	2.90
Cabbage:								
Domestic,								
Round type	Texas	1-3/4 bu. crt.	2.25	2.35	4.25	2.50	---	2.25
Carrots:								
Topped, washed	California	48-1 lb. film bag	5.25	5.25	5.15	4.75	5.40	4.50
Topped, washed	Texas	48-1 lb. film bag	3.40	4.85	4.25	4.00	4.35	4.00
Celery:								
Pascal	Florida	16-in. crt. 2-4 doz.	2.50	2.75	4.15	1/5.25	1/7.25	6.15
Pascal	California	16-in. crt. 2-3 doz.	3.50	3.35	5.15	1/6.75	1/8.00	7.75
Lettuce, Iceberg,								
dry pack	Arizona	2 doz. head crtn.	2.15	3.00	3.50	4.75	4.15	3.00
Onions:								
Yellow, Granex, Med.	Texas	50-lb. sack	---	2.45	---	---	---	3.50
Yellow, medium	Midwestern	50-lb. sack	1.10	1.10	3.75	4.00	3.65	1.68
Peppers, green	Florida	Bu. bskt., large	4.60	6.75	4.25	5.00	5.25	6.00
Spinach, flat and semi-								
flat type	Texas	Bu. bskt.	1.90	---	---	2.15	2.35	---

1/ Few sales

Weekly summary of terminal market prices, Market News Reports, AMS, USDA.

Table 10--Vegetables, frozen: Cold-storage holdings, March 31, 1962, with comparisons

Commodity	March average 1957-61	1961	1962		
		March 31	January 31	February 28	March 31 1/
		1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Asparagus	11,861	11,314	17,901	14,856	12,189
Beans, lima:					
Fordhook	n.a.	34,131	52,791	46,349	42,987
Baby	n.a.	33,165	66,253	60,042	53,354
Total 2/	69,338	67,296	119,044	106,391	96,341
Beans, snap:					
Regular cut	n.a.	39,909	80,189	71,230	61,542
French style	n.a.	23,750	41,094	36,881	32,111
Total 2/	52,505	63,659	121,283	108,111	93,653
Broccoli	46,796	47,429	52,333	48,127	43,312
Brussels sprouts	19,607	18,988	29,644	27,328	24,919
Carrots	n.a.	40,581	42,005	35,447	30,970
Cauliflower	18,861	23,550	28,773	24,627	21,600
Corn, sweet	52,634	61,698	123,034	105,998	90,730
Peas and carrots	12,720	12,040	17,370	17,045	16,998
Peas, green	122,189	92,477	180,818	152,463	121,242
Potatoes, french fried	109,501	205,671	189,094	219,486	251,058
Spinach	35,786	55,555	47,714	38,912	36,918
Mixed vegetables	22,560	24,777	25,132	26,570	27,459
Other vegetables	100,769	101,291	125,805	113,774	108,327
Grand total	675,127	826,326	1,119,950	1,039,135	975,716

1/ Preliminary. 2/ Not reported separately prior to January 31, 1960.

n.a. - not available.

Cold Storage Report, SRS, USDA, issued monthly.

Table 11.--Vegetables, fresh: Average prices per hundredweight received by farmers, United States, indicated periods, 1961 and 1962

Commodity	1961		1962	
	February 15	March 15	January 15	February 15
	Dol.	Dol.	Dol.	Dol.
Asparagus	---	19.90	---	40.10
Beans, snap	12.40	9.50	12.50	8.80
Broccoli	10.70	10.50	10.50	11.80
Cabbage	1.50	1.35	2.10	2.70
Carrots	3.40	2.85	2.85	3.10
Cauliflower	5.80	5.10	9.60	10.80
Celery	3.60	2.60	4.55	5.50
Corn, sweet	6.90	6.90	9.00	8.10
Cucumbers	10.30	9.80	9.70	8.10
Lettuce	2.70	2.50	3.05	5.00
Onions	3.00	1.85	4.25	6.60
Peppers, green	5.60	9.00	9.70	10.60
Spinach	8.20	5.70	7.80	12.00
Tomatoes	7.20	10.70	11.10	11.10

Agricultural Prices, SRS, USDA, issued monthly.

Table 12--Canned vegetables: Commercial packs 1960 and 1961 and canners' and wholesale distributors' stocks 1961 and 1962, by commodities, United States

Commodity	Pack		Stocks					
	1960	1961	Canners 1/			Wholesale distributors 1/		
			Date	1961	1962	Date	1961	1962
	1,000 cases 24/303's	1,000 cases 24/303's		1,000 cases 24/303's	1,000 cases 24/303's		1,000 cases 24/303's	1,000 cases 24/303's
<u>Major commodities</u>								
Beans, snap	33,154	40,163	Mar. 1	11,534	16,013	Jan. 1	3,332	3,334
Corn, sweet	35,276	46,167	Apr. 1	11,124	16,404	Jan. 1	3,738	3,917
Peas, green	28,714	32,399	Mar. 1	10,529	9,573	Jan. 1	3,465	3,340
Tomatoes	30,991	34,034	Jan. 1	16,155	17,934	Jan. 1	3,830	3,912
Tomato juice 2/	40,282	38,545	Jan. 1	29,296	28,023	Jan. 1	3,043	2,647
Total	168,417	191,308		---	---		---	---
<u>Minor commodities</u>								
Asparagus	7,971	8,357	Mar. 1	1,535	1,596	Jan. 1	714	692
Beans, lima	3,754	4,250	Feb. 1	1,912	2,599	Jan. 1	542	529
Beets	8,847	10,646	Mar. 1	3,908	4,241	Jan. 1	1,155	1,107
Field peas	2,082	2,264						
Carrots	5,043	3,939	Mar. 1	2,664	2,297	Jan. 1	568	587
Okra 3/	663	539						
Pickles	4/28,852	4/34,746						
Pimientos	904	1,198						
Pumpkin and squash	4,973	4,339	Apr. 1	1,449	1,209	Jan. 1	603	595
Sauerkraut	4/14,528	4/13,832	Apr. 1	5/5,032	5/5,290	Jan. 1	867	929
Potatoes	4,178	n.a.						
Sweetpotatoes	6,942	n.a.						
Spinach	7,797	7,708	Mar. 1	2,554	2,001	Jan. 1	753	755
Other greens	2,946	2,424						
Tomato products:								
Catsup and								
chili sauce	29,996	29,656	Jan. 1	21,080	21,827	Jan. 1	1,908	1,935
Paste	5/12,628	n.a.	Apr. 1	7/2,539	n.a.	Jan. 1	1,083	n.a.
Pulp and puree	5,393	6,957	Apr. 1	7/849	7/1,935	Jan. 1	837	n.a.
Sauce	13,160	n.a.	Apr. 1	7/3,642	n.a.	Jan. 1	956	n.a.
Vegetables, mixed	4,761	4,440						
Total comparable minor items	128,510	135,295		---	---		---	---
Grand total comparable items	296,927	326,603		---	---		---	---

1/ Converted from actual cases to standard cases of 24 No. 303 cans.

2/ Includes combination vegetable juices containing at least 70 percent tomato juice.

3/ Okra, okra and tomatoes, and okra, corn and tomatoes.

4/ Crop for processing converted to a canned basis by applying an overall conversion factor (pickles 83 and sauerkraut 65.9 cases equivalent to 1 ton fresh.)

5/ Reported in barrels; converted to 24/303's by using 17.08 cases to the barrel.

6/ Estimated, basis California pack.

7/ California only.

n. a. - not available.

Canners' stock and pack data from the National Canners Association, unless otherwise noted.
Wholesale distributors' stock from United States Department of Commerce, Bureau of the Census.

Table 13.--Vegetables, commercial for fresh market: Index numbers (unadjusted) of prices received by farmers, as of 15th of the month, United States by months, average 1935-39, average 1947-49, and 1950 to date 1/

(1910-1914=100)													
Period	: Jan.	: Feb.	: Mar.	: Apr.	: May	: June	: July	: Aug.	: Sept.	: Oct.	: Nov.	: Dec.	: Average
1935-39	: 114	: 121	: 133	: 130	: 125	: 98	: 87	: 82	: 81	: 90	: 103	: 115	: 107
1947-49	: 288	: 305	: 310	: 308	: 277	: 215	: 207	: 196	: 193	: 204	: 241	: 246	: 249
Year	:	:	:	:	:	:	:	:	:	:	:	:	:
1950	: 257	: 213	: 195	: 276	: 231	: 211	: 200	: 170	: 156	: 165	: 214	: 249	: 211
1951	: 338	: 346	: 288	: 333	: 276	: 215	: 203	: 197	: 190	: 211	: 290	: 343	: 269
1952	: 301	: 249	: 294	: 341	: 311	: 294	: 289	: 240	: 203	: 227	: 272	: 285	: 276
1953	: 267	: 273	: 254	: 252	: 251	: 285	: 246	: 209	: 191	: 206	: 226	: 241	: 242
1954	: 254	: 239	: 236	: 265	: 255	: 204	: 222	: 192	: 176	: 202	: 240	: 223	: 226
1955	: 251	: 273	: 260	: 272	: 254	: 220	: 206	: 210	: 226	: 219	: 245	: 230	: 239
1956	: 246	: 276	: 271	: 246	: 262	: 291	: 264	: 202	: 184	: 215	: 281	: 267	: 250
1957	: 241	: 237	: 238	: 271	: 285	: 281	: 269	: 233	: 200	: 213	: 217	: 246	: 244
1958	: 310	: 356	: 401	: 342	: 280	: 218	: 196	: 169	: 186	: 210	: 244	: 227	: 262
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1/ In addition to the vegetables included in the series published prior to January 1954, the following have been added: Broccoli, sweet corn, cucumbers, and watermelons.

2/ Preliminary.

Agricultural Prices, SRS, USDA, issued monthly.

Table 14.--Potatoes: Acreage and prospective plantings for 1962 season with comparisons

Seasonal group	Acreage		Yield per		Acreage	
	1951-60		harvested		1961	
	average		1951-60		1962	
	average		average		1962 as percentage of 1961	
	1,000		1,000		1,000	
	acres	Cwt.	acres		acres	Percent
Acreage harvested:						
Winter	27.7	156.8	23.5		21.8	92.8
Early spring	26.0	141.8	25.4		24.1	94.9
Late spring	159.8	152.1	134.4		111.0	82.6
Total	213.5	---	183.3		156.9	85.6
Prospective plantings:						
Early summer <u>1/</u>	115.2	<u>2/</u> 135.2	99.5		92.9	93.4
Late summer and fall <u>3/</u>	1,093.8	<u>2/</u> 188.3	1,232.1		1,170.9	95.0
Total	1,209.0	---	1,331.6		1,263.8	94.9
Alaska, late summer and fall	---	---	.80		.85	106.2
Total	1,209.0	---	1,332.4		1,264.6	94.9

1/ Intended acreage for 1962 as of February 1.

2/ Yield per planted acre, 1957-61 average.

3/ Intended acreage for 1962 as of March 1.

Crop Production, SRS, USDA, issued monthly.

Table 15.--Potatoes, winter and spring: Acreage, yield per acre, and production, average 1951-60, 1961 and indicated 1962 ^{1/}

Seasonal group	Harvested acreage			Yield per acre			Production		
	Average	1961	Indi- cated	Average	1961	Indi- cated	Average	1961	Indi- cated
	1951-60	1961	1962	1951-60	1961	1962	1951-60	1961	1962
	1,000 acres	1,000 acres	1,000 acres	Cwt.	Cwt.	Cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Winter									
Early spring	27.7	23.5	21.8	156.8	211.4	193.3	4,327	4,967	4,213
Late spring	26.0	25.4	24.1	141.8	183.1	162.6	3,691	4,650	3,918
	159.8	134.4	111.0	152.1	208.5	---	23,833	28,023	---

^{1/} This acreage and production is later included in reports of total potatoes.

Crop Production, SRS, USDA, issued monthly.

Table 16.--Sweetpotatoes: Plantings, average 1951-60, annual 1961 and indicated 1962

Area	Acreage			:1962 as percent- age of 1961		
	Average	1961	Indicated	1962	1961	Percent
	1951-60	1961	1962	1,000 acres	1,000 acres	Percent
	1,000 acres	1,000 acres	1,000 acres			
Central Atlantic ^{2/}	37.5	35.1	37.5			107
Lower Atlantic ^{3/}	80.2	45.6	50.8			111
South Central ^{4/}	166.4	106.0	103.7			98
North Central ^{5/}	3.2	2.5	2.5			100
California	11.2	9.2	10.5			114
United States	298.6	198.4	205.0			103.3

^{1/} Indications as of March 1. ^{2/} New Jersey, Maryland, and Virginia. ^{3/} North Carolina, South Carolina, Georgia, and Florida. ^{4/} Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas, and beginning 1959 New Mexico. ^{5/} Missouri and Kansas.

Crop Production, SRS, USDA, issued monthly.

Table 17.--Potatoes: Price f.o.b. shipping points and wholesale price per hundredweight at New York and Chicago, indicated periods, 1961 and 1962

Item	Week ended						
	1961			1962			
	Feb. 18	Mar. 18	Apr. 15	Jan. 13	Feb. 17	Mar. 17	Apr. 14
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
<u>F. o. b. shipping points:</u>							
New stock							
Dade County, Florida							
U. S. No. 1, Size A							
Round Red 1/	4.00	3.50	3.20	---	3.50	3.50	3.06
Old stock							
San Luis Valley, Colorado							
Red McClure 2/	2.45	2.44	3.08	2.08	2.19	2.76	2.30
Idaho Falls, Idaho							
Russet Burbank 3/	3.32	3.10	---	2.10	2.28	2.44	---
Aroostook County, Maine							
U. S. No. 1, Size A							
Katahdin 1/ 4/	1.60	1.42	1.48	1.02	1.04	1.28	.98
Hartford, Connecticut-Rockville area							
Katahdin	1.96	1.78	1.99	1.38	1.40	1.60	1.52
Rochester, West and							
Central New York, mostly Katahdin 1/	2.18	2.04	1.92	1.40	1.40	1.60	1.44
East Grand Forks, Minnesota							
Round Reds, washed	5/1.71	5/1.66	5/2.36	1.60	1.66	1.93	1.82
<u>Tuesday nearest mid-month</u>							
	1961			1962			
	Feb. 14	Mar. 14	Apr. 18	Jan. 16	Feb. 13	Mar. 13	Apr. 17
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
<u>Terminal Markets:</u>							
New York:							
New stock							
Florida, Round Reds 1/ 7/	5.00	5.50	5.00	4.80	5.50	5.25	5.26
Old stock							
Long Island, Katahdin 1/ 6/ 7/	2.40	2.20	2.20	1.75	1.80	2.00	1.90
Maine, Katahdin 1/ 4/ 7/	2.90	2.75	2.60	2.10	2.15	2.45	2.28
Idaho, Russets 1/ 7/	6.00	5.80	6.20	4.50	4.60	4.60	4.75
Chicago:							
New stock							
Florida, Round Reds 1/ 7/ 8/	5.00	5.10	4.70	4.60	4.80	5.00	4.30
Old stock							
Idaho, Russets 7/ 9/	4.80	4.60	5.50	3.60	3.60	3.75	3.85

- 1/ 50 pound price doubled.
 2/ 2 3/4 " minimum, washed.
 3/ 20-30% 10-oz. and larger.
 4/ 2 1/4 " minimum.
 5/ Mostly pontiacs.
 6/ Chippewas and Katahdin.
 7/ U. S. No. 1, Size A.
 8/ Street sales.
 9/ Carlot sales.

F. o. b. prices are the simple averages of the mid-point of the range of daily prices. Terminal market prices are for Tuesday of each week and are submitted by Market News representatives to the Fruit and Vegetable Division of AMS.

	:	:	Week ended						
	:	:	1961			1962			
Location and variety	: Unit :	:	Feb.	Mar.	Apr.	Jan.	Feb.	Mar.	Apr.
	:	:	18	18	15	13	17	17	14
	:	:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
F. o. b. shipping points	:	:							
S. W. Louisiana points	:	:							
Porto Rican, U. S.	: 50 pound:	:							
No. 1, cured	: crate :	:	4.50	4.50	4.75	3.92	4.18	4.24	4.62
	:	:							
	:	:	Tuesday nearest mid-month						
	:	:	1961			1962			
	:	:	Feb.	Mar.	Apr.	Jan.	Feb.	Mar.	Apr.
	:	:	14	14	18	16	13	13	17
	:	:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Terminal markets	:	:							
New York	:	:							
New Jersey, orange	: Bushel :	:							
Jersey type	: basket :	:	3.35	3.30	3.65	3.75	3.85	4.25	4.25
North Carolina	: Bushel :	:							
Porto Rican type	: basket :	:	5.15	5.00	5.37½	5.00	5.00	5.15	5.35
Chicago	:	:							
Louisiana,	: 50 pound:	:							
Porto Rican, cured	: crate :	:	5.25	5.25	5.50	4.65	4.75	5.00	5.35
	:	:							

F.o.b. prices are simple averages of the mid-point of the range of daily prices. Market prices are for Tuesday of each week and are submitted by Market News representatives to the Fruit and Vegetable Division of AMS.

Table 19.--Average price per hundredweight received by farmers for potatoes, sweetpotatoes, dry edible beans, and dry field peas, United States, indicated periods, 1961 and 1962

Commodity	1961			1962		
	Feb.	Mar.	Jan.	Feb.	Mar.	
	15	15	15	15	15	
	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	
Field crops:						
Potatoes 1/	1.74	1.69	1.13	1.11	1.21	
Sweetpotatoes	5.21	5.31	5.09	5.41	5.70	
Beans, dry edible	7.00	7.00	6.84	6.63	6.39	
Peas, dry field	4.13	3.92	4.00	4.10	4.17	

Agricultural Prices, SRS, USDA, issued monthly.

Table 20.--Beans, dry edible: Prospective plantings for 1962 season, with comparisons 1/

Group of States	Acreage planted 1951-60 average	Yield per planted acre 1957-61 average	Acreage planted		
			1961	Indicated 1962 2/	1962 as percentage of 1961
	1,000 acres	Pounds	1,000 acres	1,000 acres	Percent
New York and Michigan	612	1,075	636	669	105.2
Nebraska, Montana, Idaho, Wyoming, and Washington	322	1,680	287	295	102.8
Kansas, Colorado, New Mexico, and Utah	287	780	294	308	104.8
California	290	1,387	254	242	95.3
United States	1,510	1,209	1,471	1,514	102.9

1/ Includes beans grown for seed.

2/ Indications as of March 1.

Crop Production, SRS, USDA, issued monthly.

Table 21.--Peas, dry field: Prospective plantings for 1962 season, with comparisons 1/

State	Acreage planted 1951-60 average	Yield per planted acre 1957-61 average	Acreage planted		
			1961	Indicated 1962 2/	1962 as percentage of 1961
	1,000 acres	Pounds	1,000 acres	1,000 acres	Percent
Minnesota	6	653	14	13	93
North Dakota	5	842	14	11	77
Idaho	105	1,149	106	114	108
Colorado	18	540	9	12	133
Washington	153	1,187	188	179	95
Oregon	11	1,260	18	17	94
United States	309	1,118	349	346	99.1

1/ In principal commercial producing States.

2/ Indications as of March 1.

Crop Production, SRS, USDA, issued monthly.

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